Entering DROP

Maximum or Optional Retirement Allowance

At the beginning of the participation period, the member must select between the <u>Maximum Monthly Benefit or one of the Options</u> the same as he or she would do if retiring. **This option selection is an irrevocable, one-time election.** If the member does not make this selection, by law he or she will automatically receive the Maximum. This monthly retirement allowance will be paid into the member's DROP account.

Converting Accrued Sick Leave

Accrued sick leave may **not** be converted to service credit for the purpose of establishing DROP eligibility, nor used in calculating the monthly retirement allowance upon entering DROP. At the time the member leaves service, the monthly retirement allowance may be recalculated to include accrued sick leave. However, the number of days converted or for which the member may receive payment cannot exceed the number of days the participant had on the date he or she entered DROP.

Example:

If a member had 100 days of sick leave upon entering DROP and accrued 20 more sick leave days during DROP, he or she may only convert 100 sick leave days to service credit. If a DROP participant has 100 sick leave days upon entering DROP and used all of his or her sick leave accrued during DROP plus another 20 days of sick leave, the DROP participant may only convert the remaining 80 days of sick leave to service credit.

Service Credit

The member's service credit will remain the same during DROP participation as when he or she entered DROP. No time spent participating in DROP will be counted as creditable service.

Purchasing Service Credit

Once a member enters DROP, service credit purchases are prohibited.

Contributions

Both the employer and the member will continue making contributions as required by law to the ERS during the DROP participation period.